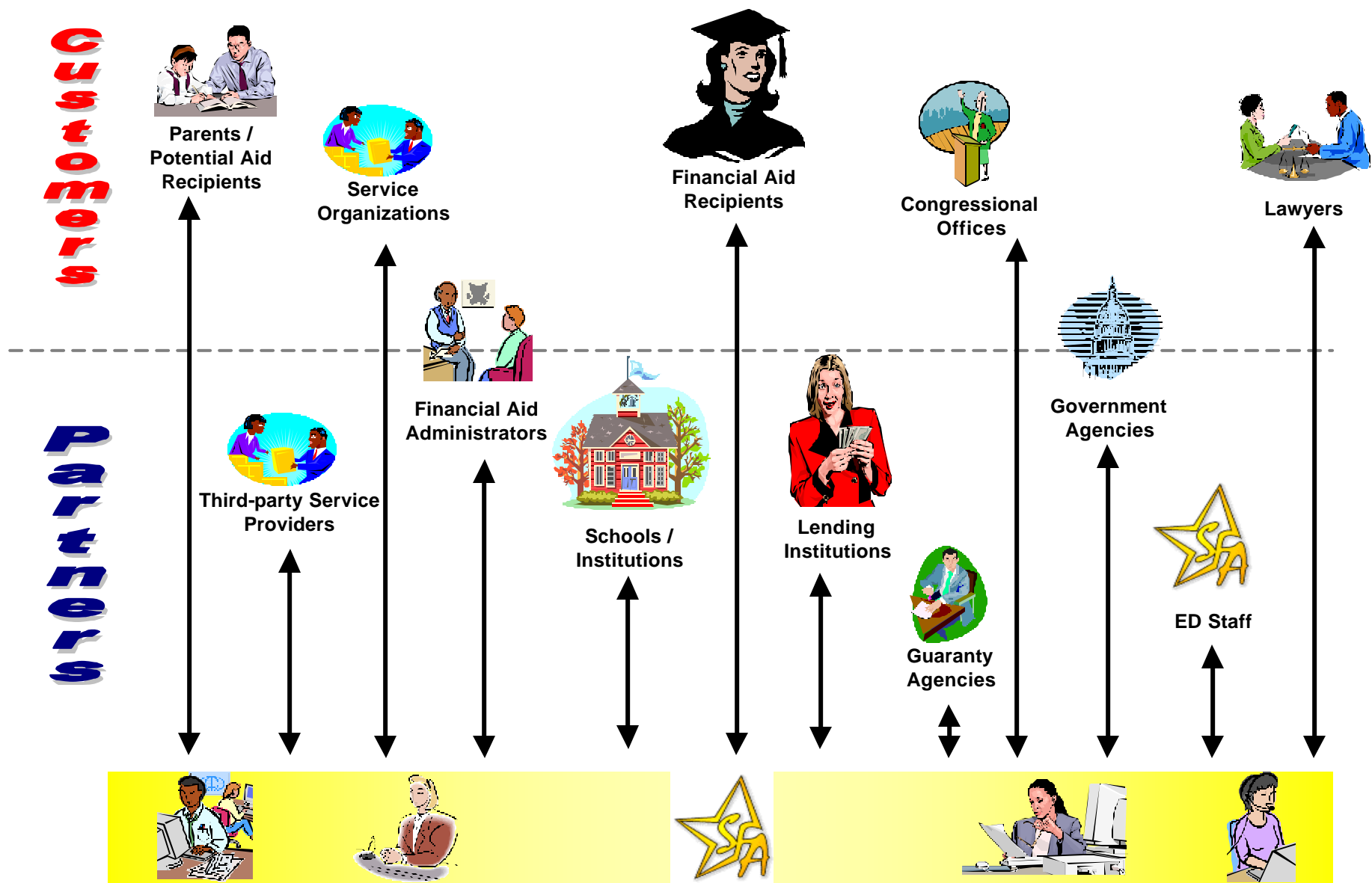




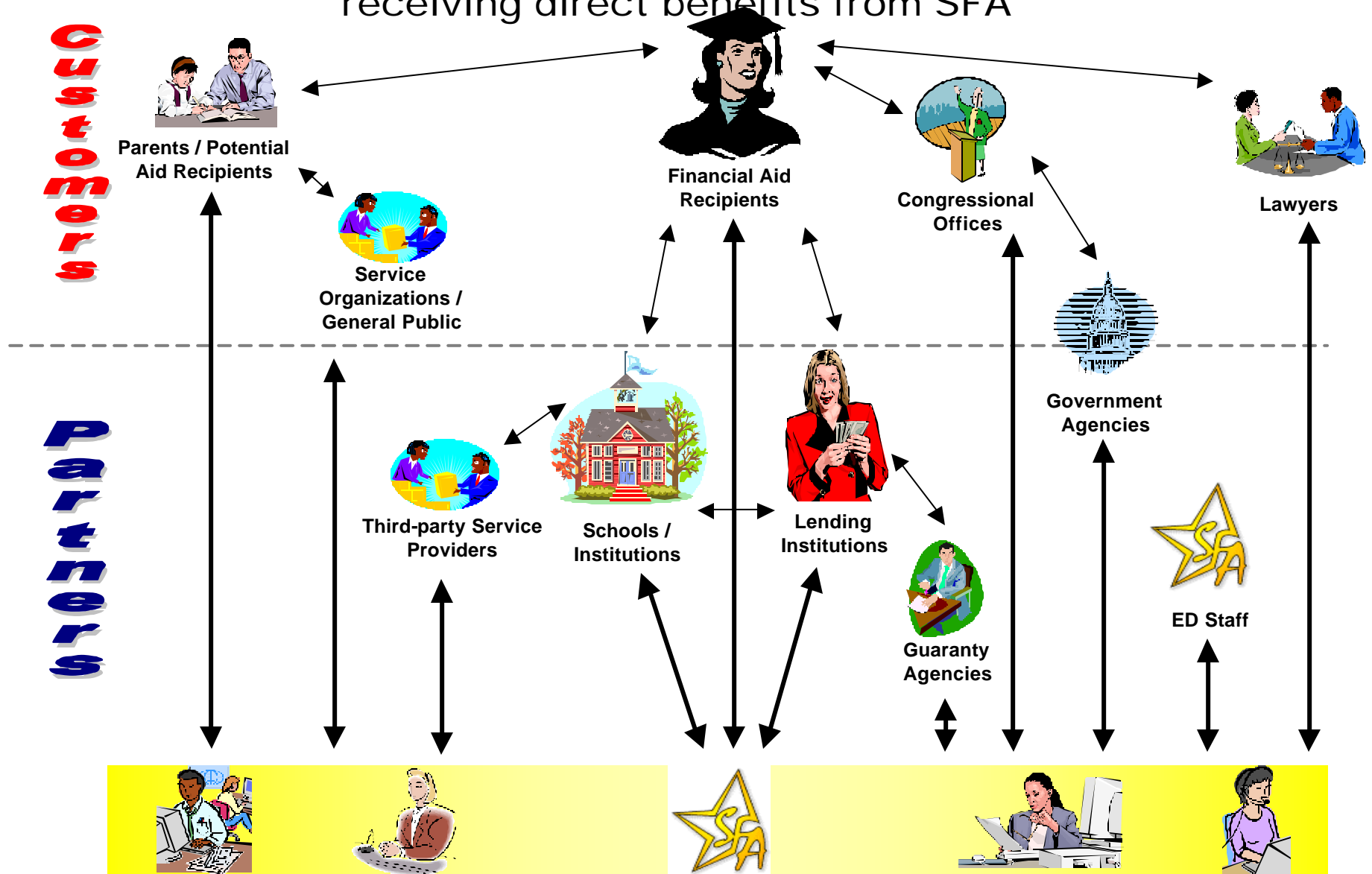
The SFA Customer Story

November 17, 2000

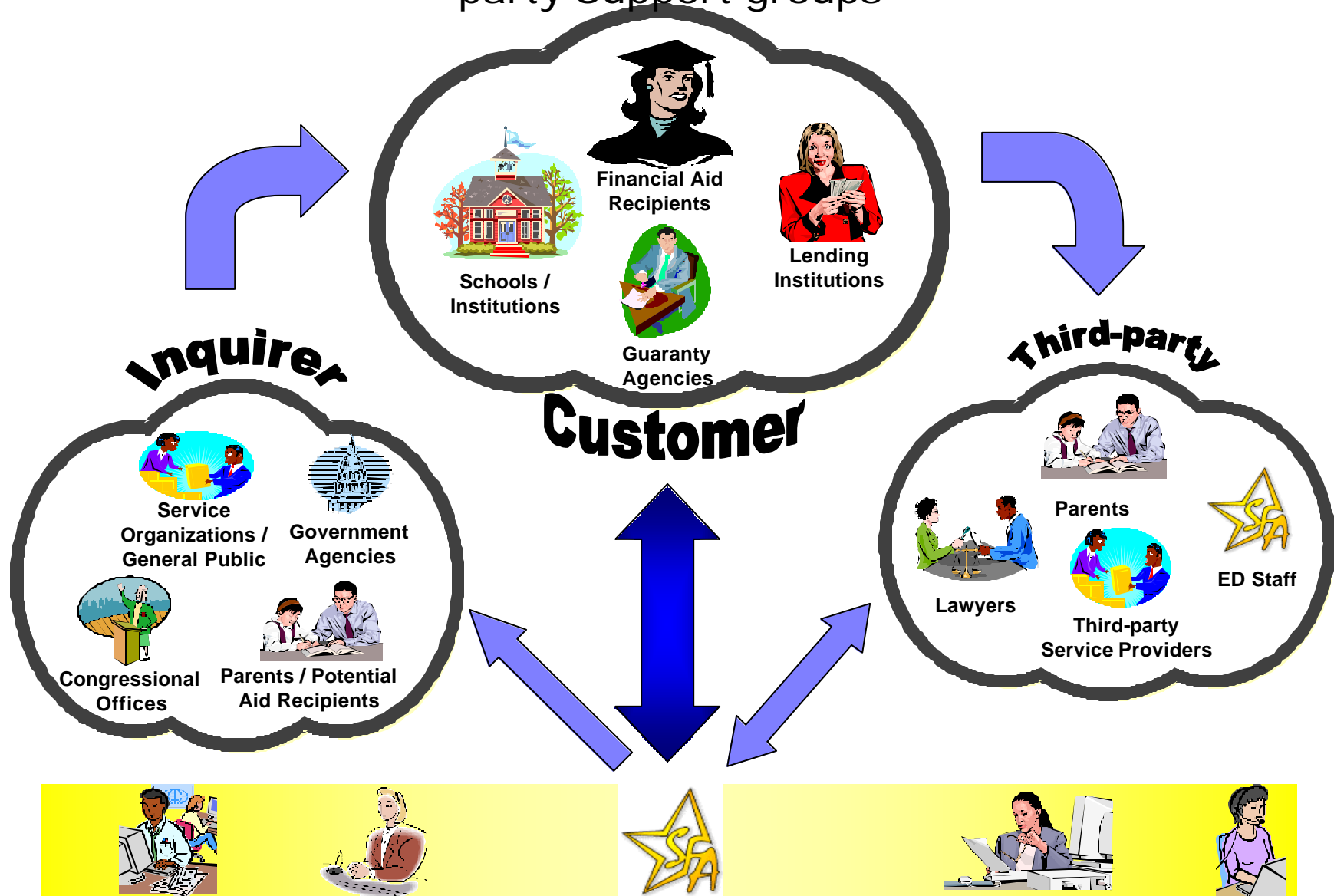
SFA interacts with various individuals, groups and agencies



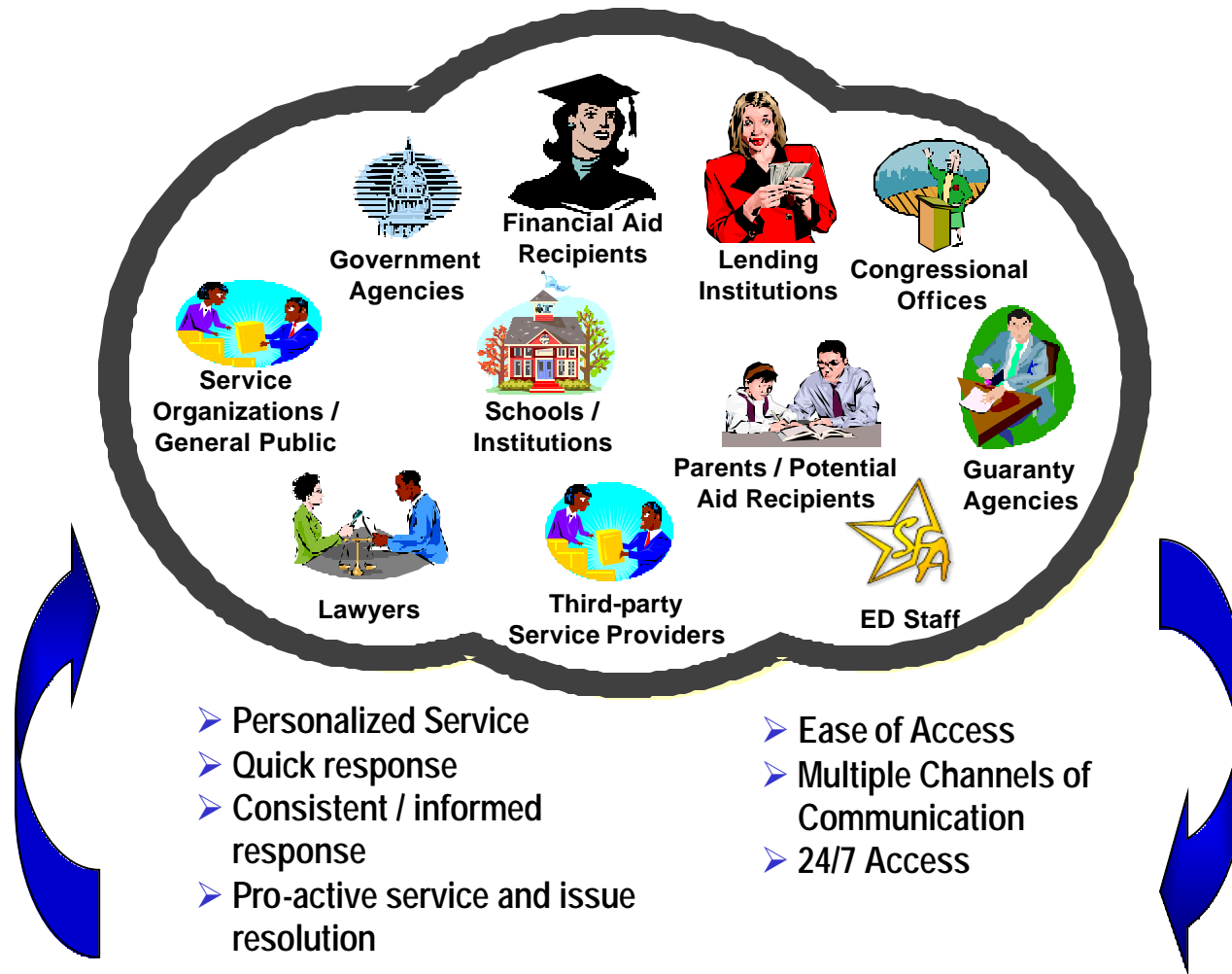
Although SFA has direct contact with these groups, many are acting on behalf of SFA's core customers and not receiving direct benefits from SFA



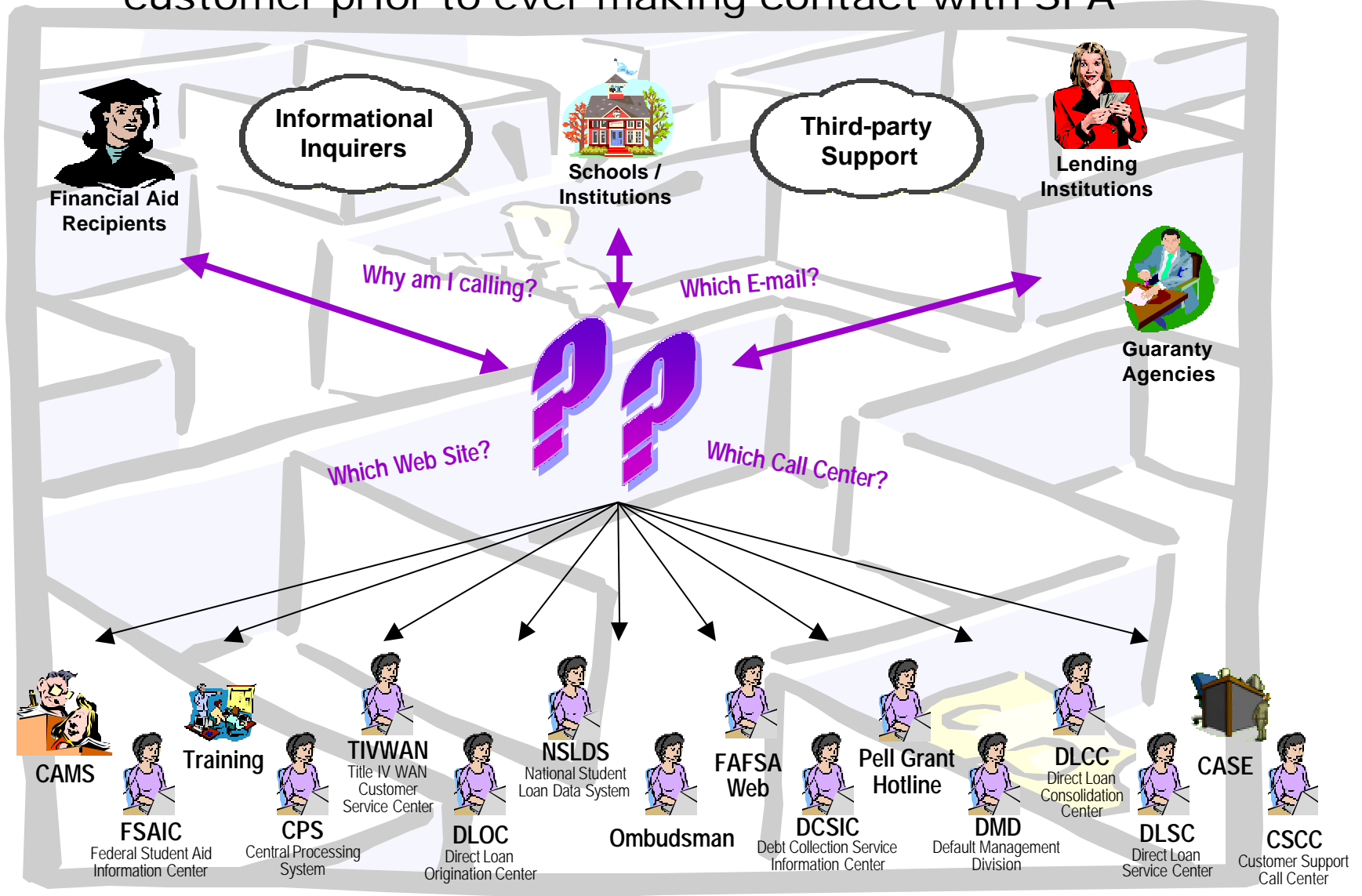
SFA's customer base can therefore be segmented into three areas: Core Customers, Information Inquirers and Third-party Support groups



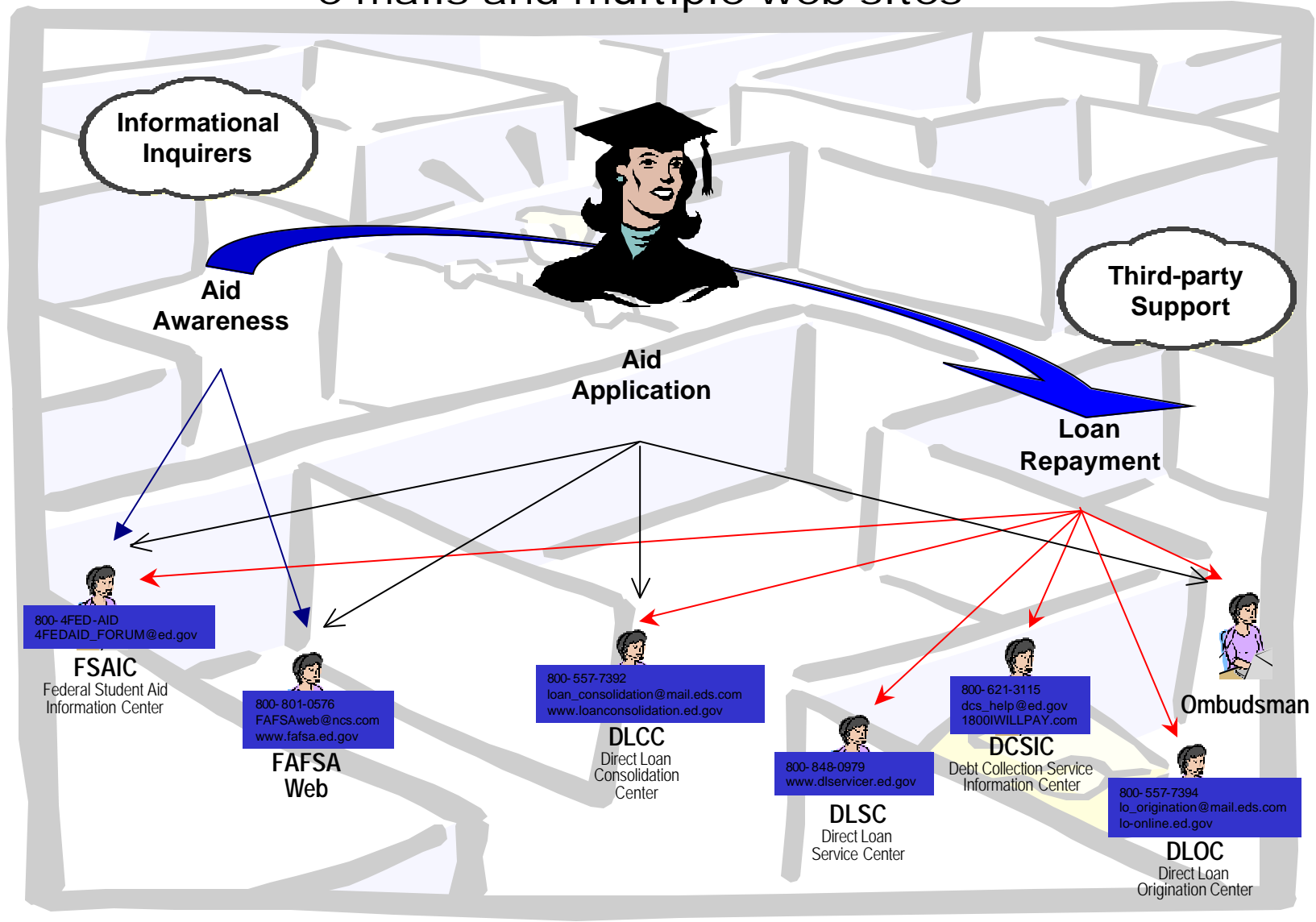
Regardless of why customers interact with SFA, they all expect to receive a high level of service



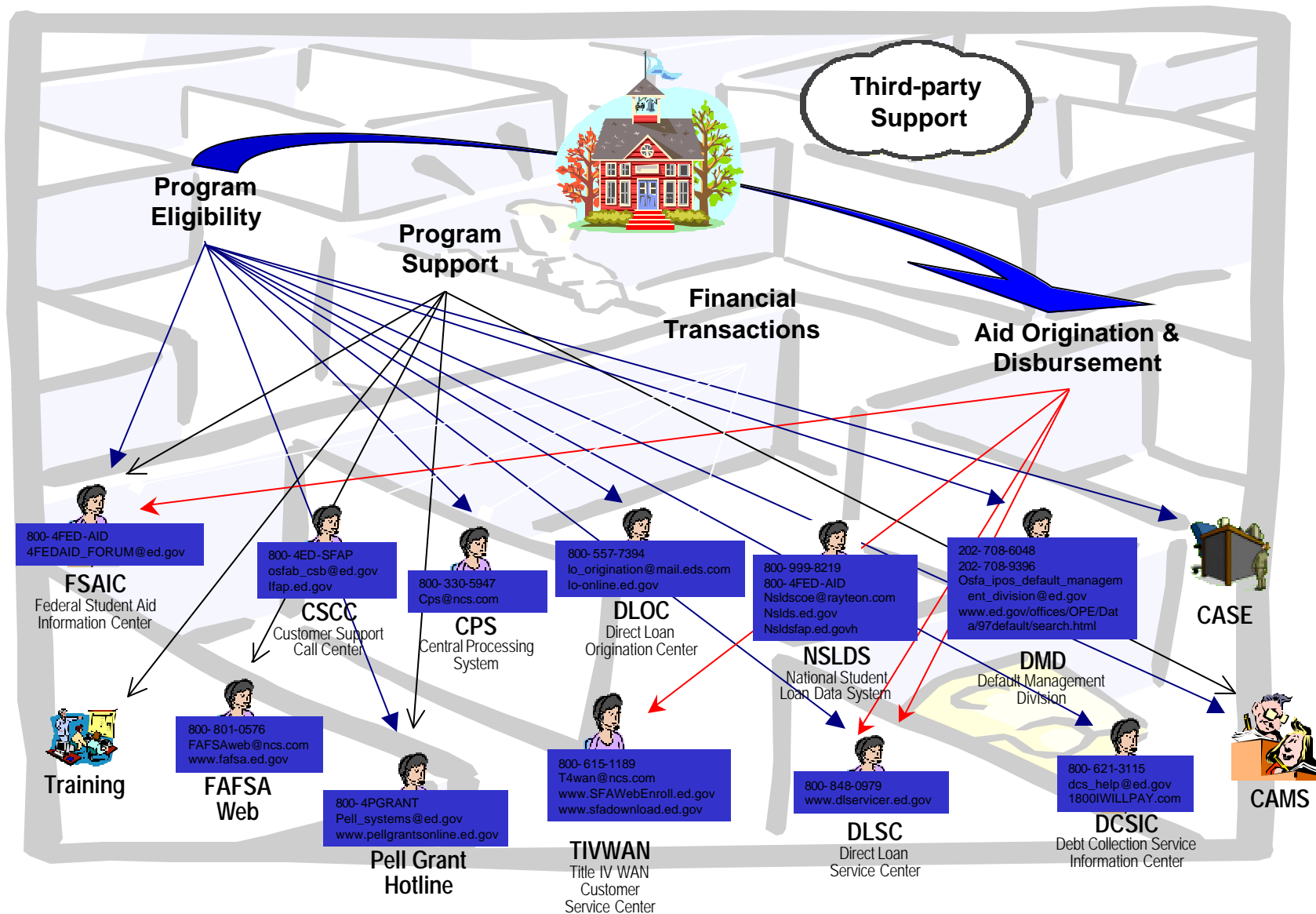
A look at the SFA support infrastructure shows otherwise, requiring many up front decisions to be made by the customer prior to ever making contact with SFA



An Aid Recipient may have to interact with SEVEN separate call centers, using seven different phone numbers, multiple e-mails and multiple web sites



Schools have the added complexity of ELEVEN call centers and at least 3 different departments within SFA



A detail analysis of the customer interactions further shows the fragmentation in service

<u>Customer</u>	<u>Interaction</u>	<u>SFA Touchpoints</u>	<u>Resolution / Fulfillment</u>	<u>Information / Interaction Tracking System</u>
Parents / Potential Financial Aid Recipients	<ul style="list-style-type: none"> • General Aid Information • Eligibility • Application Procedures 	<ul style="list-style-type: none"> • Phone (FSAIC, FAFSA) • Web (FAFSA, ed.gov) • E-mail (FAFSA, FSAIC) 	<ul style="list-style-type: none"> • Publications / Brochures • FAFSA Application • Service Rep • VRU (FAFSA, FSAIC) • E-mail Response • Web Self-service 	<ul style="list-style-type: none"> • CRM: Knowldg. Mgmt (FSAIC, FAFSA) • Fulfillment Systems: Mail, Mailhouse, Web, CPS, FAFSA Express
Service Organizations / Congressional Offices (FSAIC only)	<ul style="list-style-type: none"> • General Aid Information • Eligibility • Application Procedures 	<ul style="list-style-type: none"> • Phone (FSAIC, FAFSA) • Web (FAFSA, ed.gov) • E-mail (FAFSA, FSAIC) 	<ul style="list-style-type: none"> • Publications / Brochures • FAFSA Application • Service Rep • VRU (FAFSA, FSAIC) • E-mail Response • Web Self-service 	<ul style="list-style-type: none"> • CRM: Knowldg. Mgmt (FSAIC, FAFSA) • Fulfillment Systems: Mail, Mailhouse, Web, CPS, FAFSA Express
Financial Aid Recipients	<ul style="list-style-type: none"> • General Aid Information • Eligibility • FAFSA application • Student Aid Report • PIN (FAFSA) • School Status 	<ul style="list-style-type: none"> • Phone (FSAIC, FAFSA) • E-mail (FSAIC, FAFSA) • Web (FAFSA) • Mail (FAFSA Form) 	<ul style="list-style-type: none"> • Publications / Brochures • FAFSA Application • Service Rep • VRU (FAFSA, FSAIC) • E-mail Response • Web Self-service 	<ul style="list-style-type: none"> • CRM: Knowldg Mgmt (FSAIC, FAFSA) • Fulfillment Systems: Mail, Mailhouse, Web, CPS, NSLDS
Financial Aid Recipients (Borrowers / Re-payees)	<ul style="list-style-type: none"> • Consolidation Application • Application Status <ul style="list-style-type: none"> • Direct Loan • PIN <ul style="list-style-type: none"> • Direct Loan • Default info. <ul style="list-style-type: none"> • Balance, Deferment, Delinquency • Repayment • Loan info. <ul style="list-style-type: none"> • Interest rates, balance, grace period, Tax/Wage Garnishment 	<ul style="list-style-type: none"> • Phone (FSAIC, FAFSA, DLCC, DLSC, DCSIC, DLOC, Ombudsman) • E-mail (FSAIC, FAFSA, DLCC, DCSIC, DLOC, Ombudsman??) • Web (FAFSA, DLCC, DLSC, DCSIC, DLOC, Ombudsman??) • Mail (FAFSA Form) 	<ul style="list-style-type: none"> • Publications / Brochures • FAFSA Application • Service Rep • VRU (FAFSA, FSAIC, DCSIC, Ombudsman, DLOC, DLCC, NSLDS, DLSC) • E-mail Response • Web Self-service 	<ul style="list-style-type: none"> • CRM: Knowldg Mgmt (FSAIC, FAFSA), Call Tracking (DLCC), N/A – DLCC • Fulfillment Systems: Mail, Mailhouse, Web, CPS, LOS, DLSS, NSLDS, FFEL

A detail analysis of the customer interactions further shows the fragmentation in service

<u>Customer</u>	<u>Interaction</u>	<u>SFA Touchpoints</u>	<u>Resolution / Fulfillment</u>	<u>Fulfillment / Interaction Tracking System</u>
Schools / Financial Aid Administrators (Technical)	<ul style="list-style-type: none"> • Eligibility • SAR/ISIR • Title IV Software • Network Batch Processing • Network Messages • Network Passwords • Equal Opportunity Grant • Federal Work Study 	<ul style="list-style-type: none"> • Phone (CPS, CSCC, TIVWAN) • Web (CSCC, TIVWAN) • E-mail (CPS, CSCC, TIVWAN) • Fax (CPS, CSCC, TIVWAN) 	<ul style="list-style-type: none"> • Mail (software) • Service Rep • VRU (CPS, TIVWAN) • E-mail Response • Web Self-service (software) • In-person (CPS) 	<ul style="list-style-type: none"> • CRM: Call Tracking (CPS, TIVWAN) • Fulfillment Systems: Mail, Mailhouse, Web, CPS, PEPS, SAIG, TIVWAN, Ed Connect, EDExpress
Schools / Financial Aid Administrators (General Info.)	<ul style="list-style-type: none"> • FAFSA Student • SAR/ISIR • Application Status <ul style="list-style-type: none"> • General • Eligibility <ul style="list-style-type: none"> • General • Enrollment Data • Pell Grants • Perkins Update • Data Conflicts • Excess cash <ul style="list-style-type: none"> • Pell • Equal Opportunity Grant • Federal Work Study • Interest Rates / General Questions • Loan Cancellation / Adjustment • Repayment Status • Reporting for Prior Year Funds 	<ul style="list-style-type: none"> • Phone (FSAIC, FAFSA, NSLDS, Pell) • Web (FAFSA, NSLDS, Pell) • E-mail (FAFSA, FSAIC, NSLDS, Pell) • Fax (FAFSA, NSLDS, Pell) 	<ul style="list-style-type: none"> • Mail (software, Publications, Brochures) • Service Rep • VRU (NSLDS, FSAIC, FAFSA) • E-mail Response • Web Self-service • Fax (NSLDS) 	<ul style="list-style-type: none"> • CRM: Knlwdg Mgmt (FSAIC, FAFSA) • Call Tracking (NSLDS) • Fulfillment Systems: Mail, Mailhouse, Web, TIVWAN, NSLDS, RFMS, CPS

A detail analysis of the customer interactions further shows the fragmentation in service

<u>Customer</u>	<u>Interaction</u>	<u>SFA Touchpoints</u>	<u>Resolution / Fulfillment</u>	<u>Fulfillment / Interaction Tracking System</u>
Schools / Financial Aid Administrators (Direct Loans)	<ul style="list-style-type: none"> • Application Status <ul style="list-style-type: none"> • Direct Loans • Eligibility <ul style="list-style-type: none"> • Default • Excess cash <ul style="list-style-type: none"> • Direct Loans • Interest Rates / General Questions <ul style="list-style-type: none"> • Default, Direct Loans • Loan Cancellation / Adjustment <ul style="list-style-type: none"> • Default, Direct Loans • Repayment Status • Cohort Default Rates 	<ul style="list-style-type: none"> • Phone (DCSIC, DMD, DLOC, DLSC) • Web (DCSIC, DMD, DLOC, DLSC) • E-mail (DCSIC, DMD, DLOC, DLSC) • Fax (DMD, DLOC) • Mail 	<ul style="list-style-type: none"> • Mail • Service Rep • VRU (DLSC, DCSIC) • E-mail Response • Web Self-service • Fax 	<ul style="list-style-type: none"> • CRM: Knlwdg Mgmt (DCSIC) • Call Tracking (DLSC, DLOC) • Fulfillment Systems: Mail, Web, FFEL, LOS, DLSS
Schools / Financial Aid Administrators (Eligibility / Support)	<ul style="list-style-type: none"> • FISAP assistance • Training • Oversight • Performance Improvement • Default Mgmt • Case Mgmt • Disciplinary actions • Appeals 	<ul style="list-style-type: none"> • Phone (CSCC, CAMS, AAAD, Pell Operations) • Web (CSCC) • E-mail (CSCC, CAMS, Pell Operations) • Fax (CSCC, CAMS, Pell Operations) • In-person (AAAD, CAMS, Pell Operations) • Conferences (CAMS, Pell Operations) • Mail 	<ul style="list-style-type: none"> • Mail • Service Rep • E-mail Response • Fax • Web Self-service • In-person 	<ul style="list-style-type: none"> • CRM: N/A • Fulfillment Systems: Mail, Web, LOS, NSLDS, CPS, TIVWAN, PEPS, RFMS, CBS
Lenders	<ul style="list-style-type: none"> • General Information • Loan Payoff information 	<ul style="list-style-type: none"> • Phone (CSCC, DLCC, NSLDS) • Web (CSCC, DLCC, NSLDS) • E-mail (CSCC, DLCC, NSLDS) • Fax (CSCC, DLCC, NSLDS) 	<ul style="list-style-type: none"> • Mail • Service Rep • VRU (DLCC, NSLDS) • E-mail Response • Fax • Web Self-service 	<ul style="list-style-type: none"> • CRM: Call Tracking (NSLDS) • Fulfillment Systems: Mail, Web, LOS, NSLDS, CPS, TIVWAN, PEPS

A detail analysis of the customer interactions further shows
the fragmentation in service

<u>Customer</u>	<u>Interaction</u>	<u>SFA Touchpoints</u>	<u>Resolution / Fulfillment</u>	<u>Fulfillment / Interaction Tracking System</u>
ED Staff	<ul style="list-style-type: none">• School FISAP info.• School eligibility issues• Calculation / Payment questions• Aid return info.	<ul style="list-style-type: none">•Phone (CSCC)•E-mail (CSCC)	<ul style="list-style-type: none">•Service Rep•E-mail•Fax	<ul style="list-style-type: none">• CRM: N/A• Fulfillment Systems: CPS, TIVWAN, PEPS



School Example



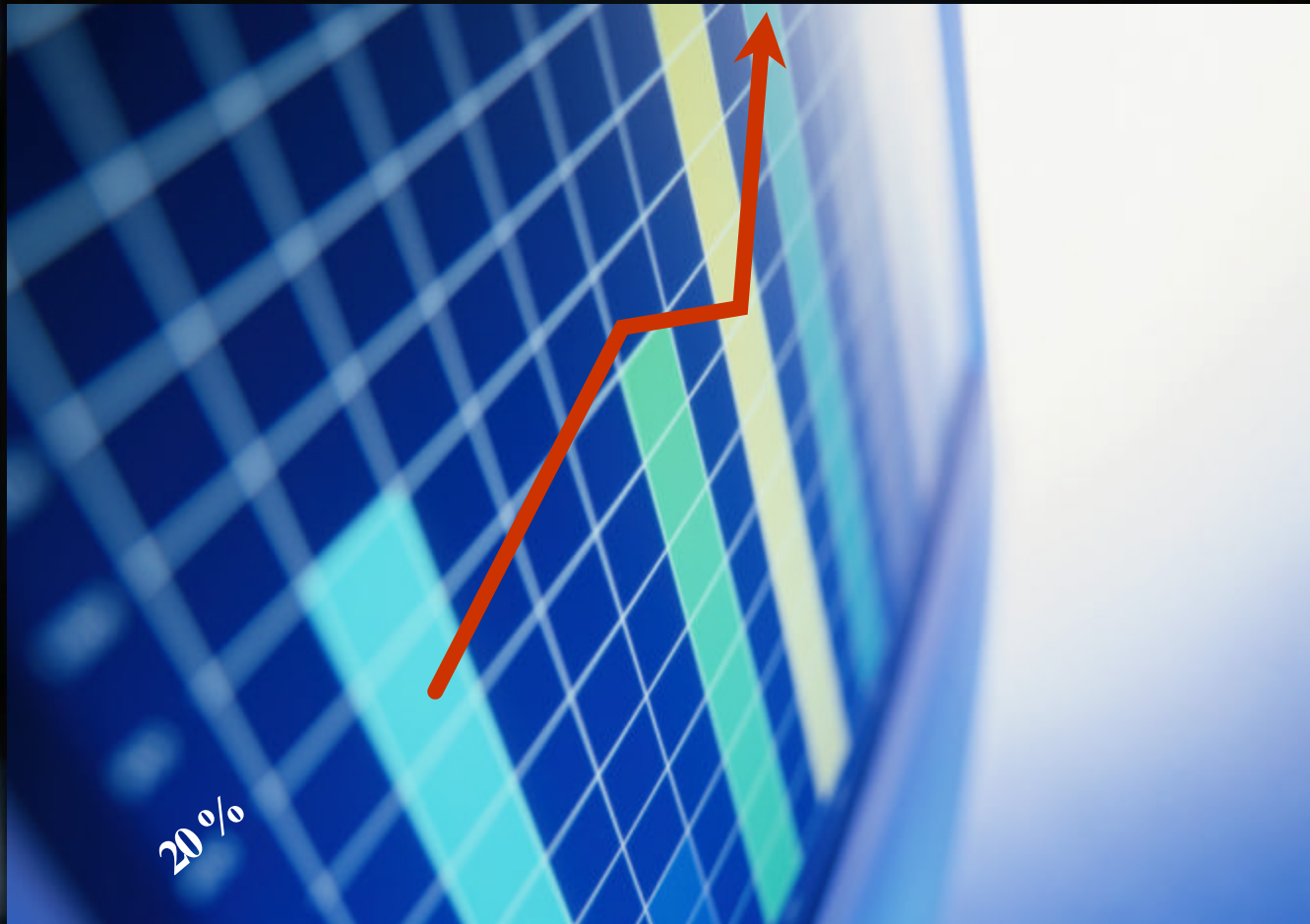
School applies for re-certification and is approved.



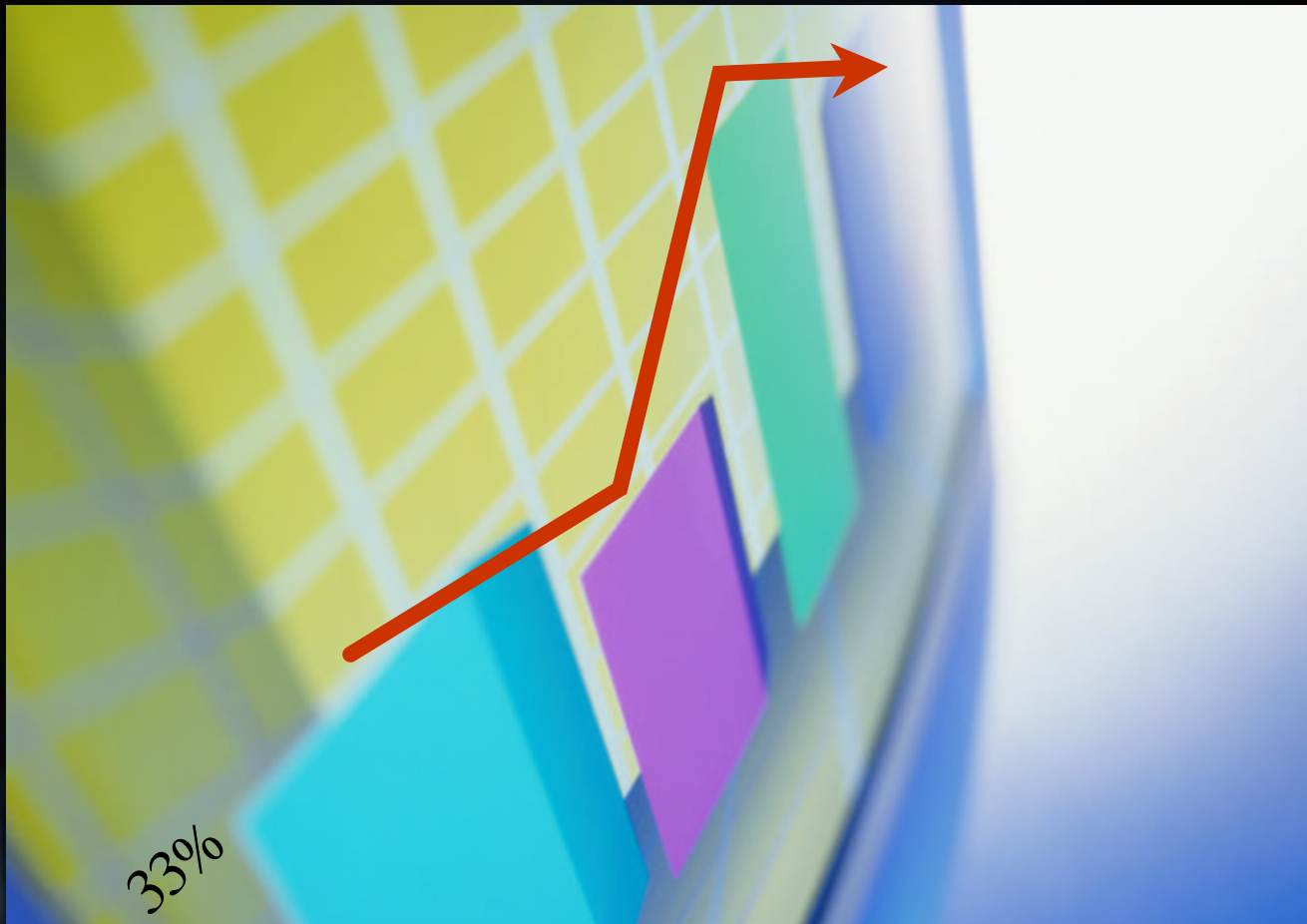
School is audited on FY90 and FY91.



Audit reveals 20 findings.



Cohort default rates $> 20\%$.



Withdrawal rate climbs to
50%



School expends \$72,675 in unauthorized Pell.

P-97-2

Federal Pell Grant Authorization Adjustments

United States Department of Education
Washington, DC 20202
June 1997

SUMMARY: This letter provides information to institutions on procedures for requesting Federal Pell Grant Authorization Adjustments. It supersedes information contained in the initial instruction, GEN-94-14 dated April 1994.

Dear Colleague:

The Higher Education Act of 1965, as amended (HEA), permits an institution to receive credit or reimbursement for awards of Title IV Student Financial Assistance (SFA) made by the institution that were not previously recognized by the Department of Education (ED). Institutions may receive credit or reimbursement if those awards are disclosed in audits conducted after December 31, 1988, pursuant to provisions of Section 487 (c)(7) of the HEA, and 34 CFR 690.83 (d) of the Federal Pell Grant Program regulations.

This letter provides guidance for institutions requesting Federal Pell Grant authorization adjustments under this provision. In order for an institution to qualify for a Federal Pell Grant authorization adjustment for awards made but not previously reported, the institution must satisfy the following:

- The claim must be based on a finding contained in the **initial** audit report for the award year. Any request not based on a finding contained in the **initial** audit report will be denied. The audit finding need not establish the precise amount of adjustment that the institution claims, but the finding must at the very least establish that the institution made Federal Pell Grant disbursements for which it has not received from ED either funds or credit as proper expenditures.
- The **initial** audit on which the claim is based must be submitted by the institution **timely** in accordance with 34 CFR 668.23 (c). If an extension was granted to the institution, the audit must be submitted by the extension date. There will be no exceptions to the due dates in either condition above.

Audit triggers appeal for Pell Adjustment.



Audit prompts closer look – a program review.



Program review identifies 15 findings.



Excess cash conditions identified – DL and Pell.

CORRECTION REQUIRED

FISAP inaccurate. Correction required.



Administrative capability deemed at risk.



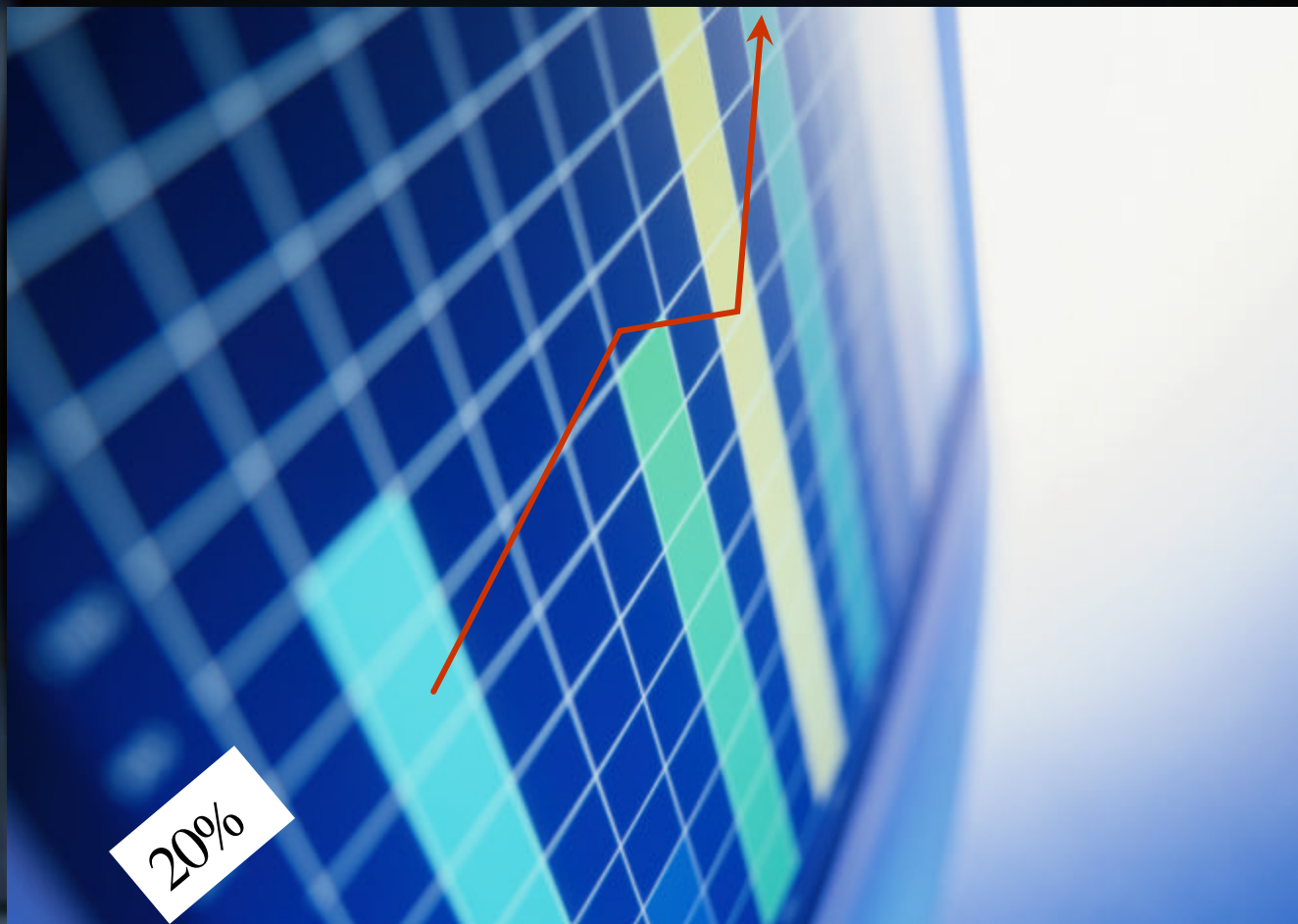
School submits program review resolution.



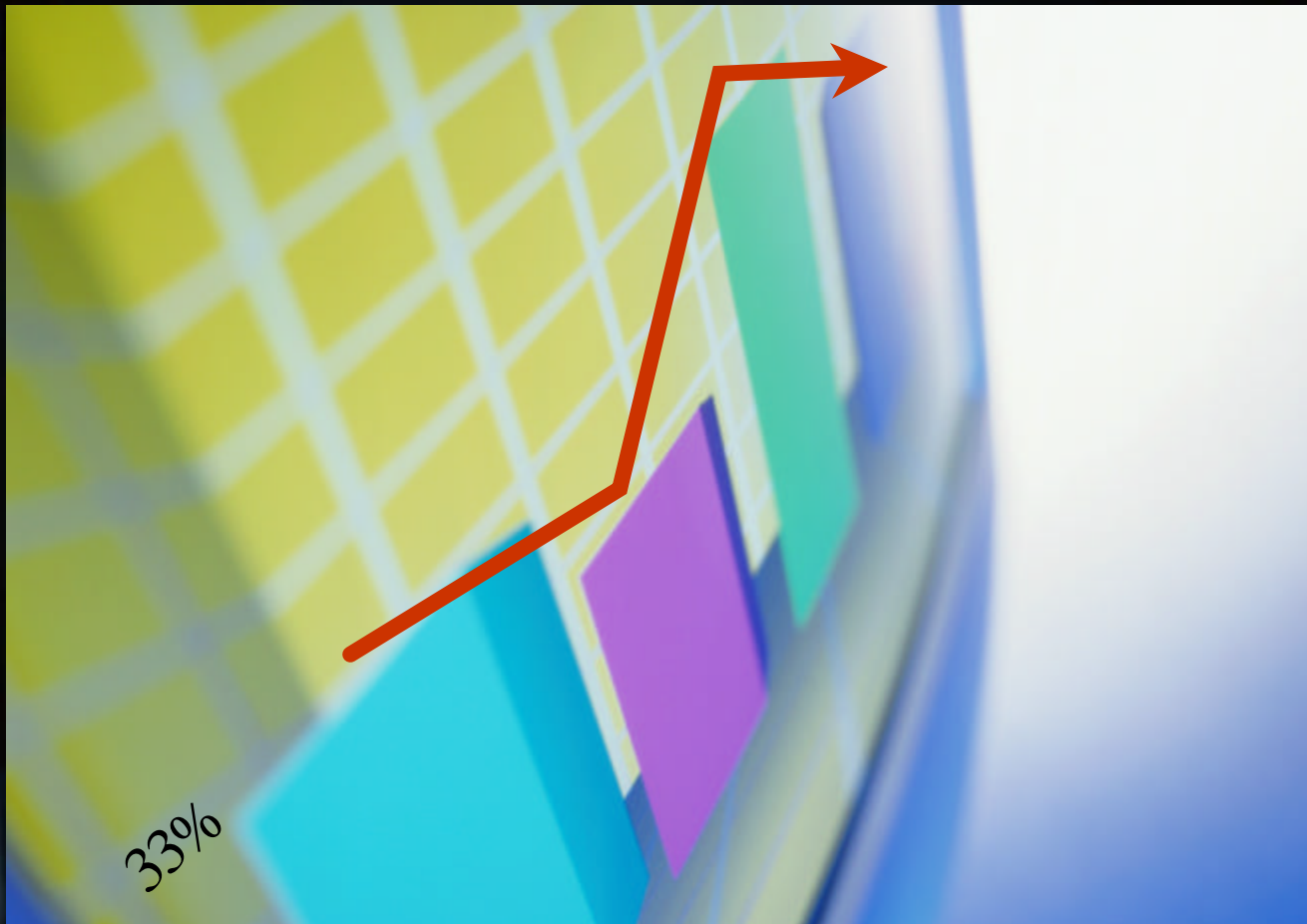
Program review response accepted and liabilities paid



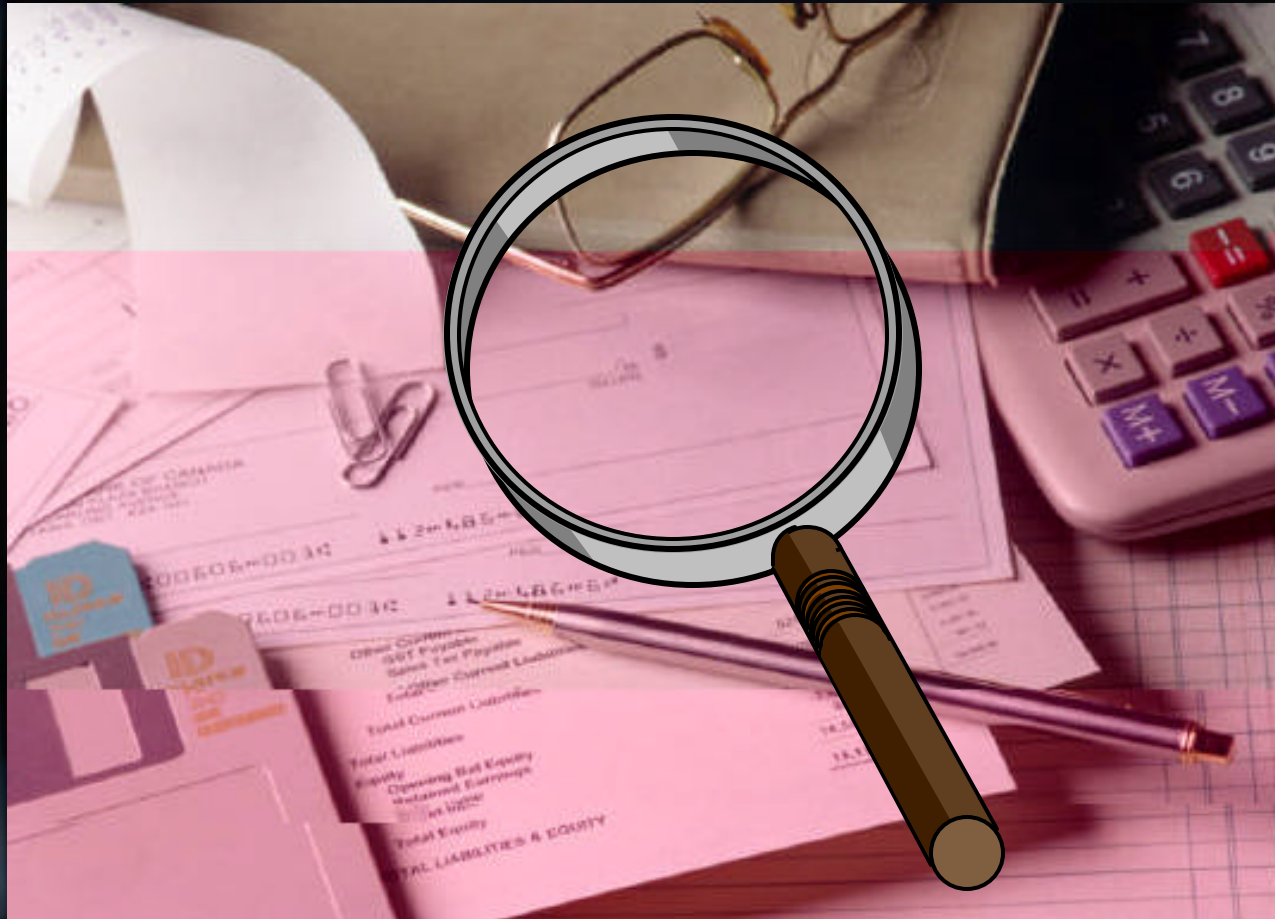
School undergoes audit of FY92 and FY93.



Cohort default rate $> 20\%$.



Withdrawal rate still $>33\%$.



Audit uncovers 6 findings – 3 repeats.



Audit questions administrative capability – institution at-risk.



Audit results in \$60K liability.



School develops default management plan.



School compiles corrective action plan and pays liabilities related to FY93 audit.



Department accepts corrective action plan and liability payment and closes audit.



Program review of FY93 and FY94.



Repeat findings identified.



Cash management issues are repeated for the 5th year in a row.

Correction Required!

FISAP inaccurate. Corrections required.



Audit FY 1995



4 Significant Findings



FY 95 Liability \$6,625



FY 96 Audit



7 Significant Findings
5 Repeats



FY 97 Audit



7 Significant Findings
4 Repeats



Administrative capability deemed impaired.



Increased student confusion and complaints.



FY 97 School referred to AAAD.



FY 98 Audit



6 Significant Findings
All Repeat



FY 98 School placed on reimbursement.



1999 School closes due to
cash flow issues.

**School / Student call
activity, call types, Web
hits / IFAP inquiries**



School contact Names



**FISAP, Audit, Program
Review status**



**Key metrics and data
elements**



**Training / Conference
Attendance**



In-person contacts

A single CRM solution would provide a clear picture of the School

**Escalated Call activity /
Problematic call types**



Contact changes



**FISAP, Audit, Program
Review issues /
repeatable occurrences**



Metrics / data exceptions



**Training / Conference
non-attendance**



**Appropriate level of in-
person contact / support**

Schools needing proactive support / intervention are identified

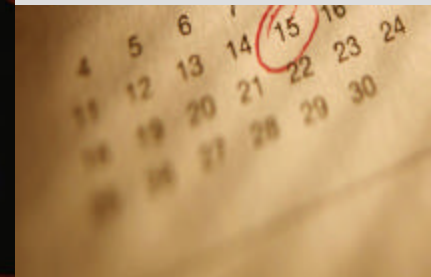
Priority Call Support



**Training schedules /
publications provided to
new contacts**



**School reminders of key
dates (Corrective Action
Plans, Submission
dates)**



**Tracking / trending of key
data and indicators**



**Training / Conference
attendance tracking**



**Identification / targeting
of focus accounts**

Support could be monitored and enhanced using CRM